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ABSTRACT

This guide is organized around fundamental economic concepts which are applied to particular themes in United States history. The concepts deal with such things as availability and use of resources, division of labor, trade, and are illustrated through the following situations: 1) Indians of the Pacific Northwest; 2) explorers, fur traders, and Louis and Clark; 3) the pioneers; 4) Oregon statehood; 5) our transportation and communication system; 6) our industries, businesses and resources. As in the other guides within the series, learning activities, resources, and evaluation methods are provided for each concept. In addition to guidelines for the ideas teachers should include or emphasize, the appendices also include: examples of some of the things we buy and sell; notes on the early history of taxation in Oregon; where Oregon state and local governments get and spend their money; employment in the Pacific Northwest; and, information on the Developmental Economic Education Program. See SO 000 132 for full information and related documents. (JLB)

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Teachers Guide To

ECONOMICS

IN GRADE 4

Edited by Hugh Lovell

SP 006 634

APPROVED MAY 15, 1968, BY THE OREGON BOARD OF EDUCATION: RAY C. SWANSON, CHAIRMAN; MRS. GEORGE BEARD, VICE CHAIRMAN; ROBERT W. CHANDLER; RICHARD F. DEICH; EUGENE H. FISHER; THOMAS L. SCANLON; AND FRANCIS I. SMITH . . . . . JESSE V. FASOLD, SECRETARY

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Foreword

Many of the daily problems and issues that confront us as producers of goods and services, as consumers, and as citizens are economic in nature. A familiarity with economic facts and principles is prerequisite to an understanding of both our private affairs and local, state, and national affairs. The great issues of our time such as inflation, balance of payments, credit control, foreign aid, financing of schools and other public services, and rate of economic growth require a knowledge of economics if participants in our society are to interpret current events and make intelligent decisions.

Elements of economics have long been included in certain areas of the Oregon curriculum, but for the most part economic learnings have been left to chance. A carefully designed plan to teach a progression of economic concepts in the various elementary and secondary grades has not existed. The intention of the writers of this Guide, one in a series which will soon include a similar guide for each elementary grade, has been to present such a plan.

The increasing complexity of both personal and public economic affairs requires that schools no longer leave to chance student acquisition of economic knowledge and understanding. The series of TEACHERS GUIDES TO ECONOMICS identifies economic concepts that have been found within the grasp of pupils at each grade level. It also suggests many classroom materials and activities that can be employed within our existing social studies curriculum framework. The Guides are recommended for use by schools and teachers in Oregon public schools.

Since successful use of each Guide will require an understanding of basic economics by teachers, it is expected that school districts will find it necessary to provide in-service, through local workshops or other means, for teachers who lack exposure to the subject. It is hoped that the State Board of Education as well as Intermediate Education District Boards can lead out in providing these in-service training opportunities.

Curriculum officials of all Oregon schools are urged to study the program presented in this series of guides and determine ways by which they may be used to strengthen this important but often neglected subject.

Dale Parnell

Superintendent of Public Instruction

Acknowledgments

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About This Guide

This Guide is one of a series prepared for the Oregon Department of Education by the Oregon Developmental Economic Education Program (DEEP). The Program is a three-year effort involving teachers, economists, curriculum specialists, and various educational agencies.* It has had three main objectives: (a) to find out what economic concepts could usefully be taught at various grade levels, (b) to find out how best to present them in the classroom, and (c) to make the results easy for classroom teachers to use. It is part of a nationwide program of the Joint Council on Economic Education.

The Guides themselves vary somewhat because the teachers who helped to write them felt that variations were needed to meet the special requirements of particular grade levels. All of them, however, follow the same general pattern. A table of contents lists a number of simply written "big ideas," or basic concepts, appropriate to a particular grade. These big ideas are expanded in the body of the Guide, which also includes teaching activities (more of them than any individual teacher is likely to use), lists of books and other resources, and suggestions for evaluating student understanding of the material. All of the Guides include a brief section on "Major Ideas and Sub-Ideas of Modern Economics." Some of them include appendixes with statistical or other information.

The idea of introducing economic materials into the primary grades, or even into higher grades, is a relatively new one. It frightened a number of teachers in the Program, and particularly those who had not had much previous academic work in economics. It frightened some of the rest of us as well. We are not frightened now because we know that ordinary teachers can teach economics to ordinary children, and with excellent results. However, some general observations may be helpful.

- Children like economics. They like it because it is important and because it is real. Money, going to the grocery store, and the fact that daddy goes away from home to work are very real things for the first grader. He likes economics because it helps him to understand what these things are all about. He likes it, too, because it helps him see that he plays a part in the real world, that he is a "producer," and, like daddy and the mailman, has valuable services to perform such as cleaning the blackboard or picking up his room.

- One does not have to stop teaching everything else in order to get economic ideas across. The best way to teach many economic concepts is to weave them into everyday classroom work. The proper question at the proper time may do more to bring home an economic concept than an elaborate week-long activity. Because of this, it is not necessary for teachers who want to introduce economics to abandon other subjects or to give up their favorite classroom activities. But new economic activities should be used when they fit the

*See Acknowledgments and Appendix for listings of participants.

curriculum. These Guides are filled with such activities. However, the idea is to enrich the established curriculum, not to replace it root and branch.

- Economics is more concerned with relationships to be understood than with facts to be memorized. This simplifies the teachers' task, but it does pose certain problems. The main one arises because economic concepts are interrelated -- it doesn't make much sense to teach one without sooner or later teaching others. In fact it is sometimes impossible to understand one economic concept unless one also understands another. One cannot understand why an American family needs money without also understanding why most Americans specialize in the production of things that their families cannot eat. For this reason, it is very important for a teacher to try to understand all the major economic concepts that relate to his grade level and for him to try to touch on all of them with his students, even though he may not have time to explore many of them in depth.

- Simple economic concepts won't tell the whole story. An economic system is characterized by all kinds of complex interrelationships between people and institutions. Even professional economics don't try to explain all these interrelationships at once. They try to ignore less important variables so they can concentrate on more important ones. The "big ideas" in these Guides focus on important economic variables, but they omit others that may apply to certain real-life situations. When students bring up a real-life situation which seems to contradict a "big idea," the teacher's best approach is to ask the class to help her reason out additional factors which are probably involved. This ability to reason out, or analyze, the factors which explain economic phenomena is, in the last analysis, the main stock in trade of the economist. Helping teachers and students to acquire this knack is one of the main objectives of the Oregon Developmental Economic Education Program.

The Oregon Developmental Economic Education Program is an activity of the Oregon Council on Economic Education. The Council, a non-profit, nonpartisan corporation, supported by business, farm, and labor organizations from all parts of the state, exists to encourage improved economic education in Oregon schools. The Council takes no position on economic issues. The views expressed in this teachers' Guide are those of its authors and consultants. They may or may not coincide with those of the Oregon Council.

HUGH LOVELL, Director
Oregon Developmental Economic Education Program

Indians of the Pacific Northwest

BIG IDEA

The various Indian tribes needed food, clothing, and shelter. They had to decide how best to divide their resources between these and other needs. Different tribes had different resources and different ways of deciding how to use them.

SUPPORTING CONCEPTS

1. The availability of resources influenced the way in which the Indians lived.

2. The Indians were able to do more when they assigned different jobs to their men, women, and children. Tradition had a lot to do with this division of labor.

3. The Indian economy changed slowly. Indian decisions on how to use resources were based on traditional ways of doing things. In the modern United States economy, decisions on how to use resources are based on market prices.

4. Indians from one place sometimes exchanged goods with Indians from other places. They also used a simple form of money--wampum.

VOCABULARY

scarcity	division of labor	economics	economy
choice	barter	goods	traditional economy
wampum	barter "fair"	resources	
money	potlatch	services	

Many of these words are explained in "Major Ideas and Sub-Ideas of Modern Economics," pp. 44-49 of this handbook.

SUPPORTING CONCEPT 1

THE AVAILABILITY OF RESOURCES INFLUENCED THE WAY IN WHICH THE INDIANS LIVED

ACTIVITIES

Bulletin board: "Things Indians Ate." Show such foods as berries, nuts, camas roots, wapato, elk meat, venison, salmon. Why did the Indians eat these things? Did all Indian tribes eat the same thing? Did they eat different things at different times of the year?

Discuss tools the Indians used. Visit a local museum or collect pictures of Indian artifacts: utensils, clothing, weapons, other tools of pre-exploration Indian culture. Did every Indian make his own tools? If members of the class were Indians, what would they do today--make tools and weapons or hunt for food? Would it be better to eat less today so as to have better fish nets or hunting arrows tomorrow?

(more)

INDIANS OF THE PACIFIC NORTHWEST (continued)

Activities (continued)

Ask the class to solve some practical choice problems like these:

An Indian boy is to receive something from the chief. Should he choose a bow, moccasins, or some other gift? Vary the choices and the individual.

An Indian chief must decide: Should we move to the high valley and hunt for deer or should we move to the river and fish for salmon?

An Indian brave must decide: Should I help my wife and children pick berries, or should I hunt for meat?

The children in the class must decide: How should I spend my allowance or my birthday money?

Compare Indian tribes of different regions. Classify them according to the quality and quantity of their resources: hunting or fishing grounds, tools, weapons, shelter, clothing, variety of food. Why did they differ?

Discuss the economic problems of an Indian tribe:

What resources did these people have (include tools, skills)?

How did they use their resources to provide food, clothing, shelter, tools?

How did they decide which resources to use for which purpose?

Then divide the class into groups. Each group then studies a particular tribe and finds out about its resources, how it used them, and how it decided which resources to use for which purpose.

EVALUATION

Can the children identify the resources the Indians had and explain how they used these resources to provide goods and services?

Are they able to list some of the choices that an Indian tribe had to make--hunting or fishing, producing food or producing tools.

SUPPORTING CONCEPT 2

THE INDIANS WERE ABLE TO DO MORE WHEN THEY ASSIGNED DIFFERENT JOBS TO THEIR MEN, WOMEN, AND CHILDREN. TRADITION HAD A LOT TO DO WITH THIS DIVISION OF LABOR.*

ACTIVITIES

Pictograph: Have pupils draw pictures of Indian father, mother, and children doing different jobs, and explain why it was better for the fathers to do things that the mothers and children did not do.

Make a division of labor chart showing different types of work:

PRODUCT	MEN	WOMEN	CHILDREN
food	hunted	smoked meat	picked berries
clothing	skinned a deer	tanned and sewed	helped mother
transportation			

Write stories and essays about the work done by an Indian boy, girl, warrior, or mother.

Discussion: Did the Indian men ever gather berries? Why or why not? Did every Indian make his own tools? Why or why not?

Make the point that division of labor made the tribe better off by permitting people to do the things they could do best.

Discuss division of labor in the classroom or school (teacher, music teacher, janitor, principal).

Plan a field trip to a local factory or store to observe division of labor there (checker, produce man, manager, accountant).

Make a filmstrip to show how division of labor may be an efficient way of producing something; e.g., The pilot should fly the plane and the stewardesses should look after the passengers, because....

EVALUATION

Can the children compare division of labor in an Indian tribe with division of labor in the classroom or modern society?

Can they think of three reasons why division of labor helps people to produce more? Possible answers: allows people to become more skilled, to use special tools or equipment, to take advantage of special abilities.

*"Division of labor" is one kind of "specialization." There is division of labor in a sawmill, but Oregon "specializes" in lumber and plywood.

SUPPORTING CONCEPT 3

THE INDIAN ECONOMY CHANGED SLOWLY. INDIAN DECISIONS ON HOW TO USE RESOURCES WERE BASED ON TRADITIONAL WAYS OF DOING THINGS. IN THE MODERN UNITED STATES ECONOMY, DECISIONS ON HOW TO USE RESOURCES ARE BASED ON MARKET PRICES.

ACTIVITIES

Creative writing: a chief or medicine man explains why it is necessary to do something in the traditional way (If we fail to fish for salmon in the dark of the moon, the moon god will be angry and the....) or describe a ritual that must be followed before some action is taken (We must say the proper magic words before we make arrows or else they will twist and break).

Make a chart to contrast the traditional Indian economy with the present day market economy.

TOPIC	INDIANS	AMERICANS TODAY
Occupation	I will be chief because my father was chief.	I will be a carpenter because the pay is good.
Ways of producing things	We must use the old ways or the gods will be angry.	We will try a new way if it is better and cheaper.
Use of land	We will hunt and fish where our fathers and grandfathers used to hunt and fish.	If the land is more valuable for factories or houses, we will build factories or houses instead of using it for farming.

Draw a mural presenting the slow growth of the Indian economy by showing (a) foot transportation, (b) the use of dogs, and (c) the eventual use of horses. How did these changes affect the life of the Indians?

Contrast the rate of economic change in an Indian village and in a pioneer town. Build two models, an Indian village and a pioneer town, on the same table.

Stress details such as roads and trails, cooking utensils, auxiliary buildings, methods of transportation. Be sure to establish a time period for each village.

Make changes for each village to reflect improvements after fifty or one hundred years. The pioneer town should show

(more)

Activities (continued)

growth in size as well as in the goods and services available. The Indian village would show little change in size and little if any change in the way of life.

Creative writing: stories on how the Indians could have increased the output of their economy—mentioning inventions or new ways of doing things. How would the Indian with the new idea persuade the chief or medicine man to let him try it?

EVALUATION Are the children able to explain that some of the choices Indians made were on a basis of tradition but we make our choices by looking at market prices? (e.g., The Indians ate salmon because it was the moon of the salmon; we have salmon tonight because it is cheap today.)

SUPPORTING CONCEPT 4

INDIANS FROM ONE PLACE SOMETIMES EXCHANGED GOODS WITH INDIANS FROM OTHER PLACES. THEY ALSO USED A SIMPLE FORM OF MONEY—WAMPUM.

ACTIVITIES

Bulletin board: "How the Indians Traded." Show goods that various tribes made, hunted, or caught for purposes of trade with other tribes. Show goods that they received in trade from other tribes. Discuss: Did trade between the tribes help the Indians? Why didn't the Indians do more trading (hard to travel,etc.)? If the class were a tribe, would the students (a) concentrate on making more things for members of their own tribe to use (what things) or (b) concentrate on making things that could be used for trading purposes (what things)?

Play a game showing the disadvantages of barter: an Indian with a salmon wants six eagle feathers; an Indian with six eagle feathers wants a bow and arrow; an Indian with a bow and arrow wants a tomahawk; an Indian with a tomahawk wants a salmon. (Nothing can be traded easily until all four Indians meet together.)

Play the same game again, this time using wampum as a medium of exchange. Show how money makes trading easier.

Discussion: Why did the Indians use "wampum" for money? Why didn't they use something else instead—dugout canoes, arrowheads, fresh salmon or berries, salt, sugar? Bring out the idea that the best money (a) can be divided up, so that it can be used to buy cheap things as well as expensive ones; (b) doesn't spoil, so that someone who accepts it today can use it to buy something next week or next month.

(more)

Activities (continued)

Discuss the functions of money:
Is a medium of exchange—makes trade easier.

Is divisible—permits exchange of goods of different value.

Stores value—the value of money doesn't change much over time; thus we can sell something for money today and keep the money to spend next month or next year.

Is a standard of value—we can say that something is worth $10; we don't have to say that one salmon is worth six eagle feathers or a bow and arrow or a tomahawk.

Show the filmstrip, "Money," Basic Economics Series, No. 2, Encyclopaedia Britannica Films, 1951, 64 frames, color.

Arrange a barter fair at which different tribes of Indians gather to exchange things with each other.
Students study different tribes to find out what their needs and resources were.

"Indian" fathers, mothers, and children from each tribe decide what goods to take to the fair and what they hope to exchange them for.

Class maps the route that each tribe takes to the fair with emphasis on transportation and on the food used en route.

Students do research to find out what Indians did at their fairs. Note that Indians sometimes hoped to gain wealth by gambling at the fair instead of by trade, effort, or heredity.

Bulletin board: map or picture of the fair with different tribes and their trade goods.

EVALUATION

Can the children explain in their own words why it helped one Indian tribe to trade with another? Can they explain why wampum was useful to the Indians?

RESOURCES

Books

Bleeker, Sonia: Horsemen of the Western Plateaus: The Nez Perce Indians, William Morrow and Company, New York, 1957, 157 pp.

_____: The Sea Hunters: Indians of the Northwest Coast, William Morrow and Company, New York, 1951, 159 pp.

Brewster, Benjamin: The First Book of Indians, Franklin Watts, Inc., New York, 1950, 69 pp.

Brindze, Ruth: The Story of the Totem Pole, Vanguard Press, New York, 1951, 62 pp.

Buff, Mary: Hah-Nee of the Cliff Dwellers, Houghton Mifflin Company, Boston, 1956, 68 pp.

Clark, Ann Nolan: In My Mother's House, Viking Press, New York, 1941, 56 pp.

Davis, Russell and B. Ashabranner: Chief Joseph, War Chief of the Nez Perce, McGraw-Hill Book Company, New York, 1962, 190 pp.

Dorian, Edith and William Wilson: Hokakey! (culture traits of N.W. Indians), McGraw-Hill Book Company, New York, 1957, 112 pp.

Farquhar, Margaret: Indian Children of America, Holt, Rinehart and Winston, New York, 1964

Hofsinde, Robert: Indian Beadwork, William Morrow and Company, New York, 1958, 122 pp.

_____: Indian Hunting (by Indian author), William Morrow and Company, New York, 1959

_____: Indian Sign Language, William Morrow and Company, New York, 1956

_____: Indians at Home, William Morrow and Company, New York, 1964, 96 pp.

McNeer, May: The American Indian Story, Farrar, Straus, and Giroux, Inc., New York, 1963, 95 pp.

Sharp, Edith: Nkwala, Little, Brown and Company, Inc., Boston, 1958, 125 pp.

Tunis, Edwin: Indians, World Publishing Company, Cleveland, 1959, 157 pp.

Films

"Alaskan Eskimo," Disney, 1957, 27 min., c.

"Indians of Early America," Encyclopaedia Britannica Films, 1957, 22 min., c.

Films (continued

"Long House People, The," Encyclopaedia Britannica Films, 1950, 24 min., c.

Filmstrips

"How the Indians Lived," Jam Handy Organization, 1956, (series of 5)

"Indian Ceremonies," Curriculum Materials Center, Herbert M. Elkins Co., Tujunga, California, 1951, 25 fr., c.

"Indian Communication," Curriculum Materials Center, Herbert M. Elkins Co., Tujunga, California, 1951, 25 fr., c.

"Indian Transportation," Curriculum Materials Center, Herbert M. Elkins Co., Tujunga, California, 1951, 25 fr., c.

"Indians of the Pacific Coast," Popular Science, 1953, 32 fr., c.

"Money," Basic Economics Series, No. 2, Encyclopaedia Britannica Films, 1951, 64 fr., c.

Other

The Maryhill Museum in Washington, on the Columbia near The Dalles, has an outstanding collection of Indian artifacts including many from the Northwest. The Museum is open every day, including Sundays and holiday from March 15 to November 15, from 9:00 a.m. to 5:30 p.m. School groups are welcomed without charge to enjoy the ample picnic facilities and to view the varied collections of arts and crafts. The Portland Art Museum, SW Park Avenue and Madison, also has a collection of Indian artifacts. Most schools are not too great a distance from a reservation or museum which the children can visit.

Explorers, Fur Traders, and Lewis and Clark

BIG IDEA

The explorers and the fur traders ran great risks because they hoped for great rewards. Some of them hoped to find new resources which would help the country grow. Some hoped to earn a lot of money. Others hoped to gain back more than they had spent on the ships and guns and other things that were needed by an expedition or a trading post.

The explorers and fur traders had a great impact on the economy of the West. New markets developed in which the Indian could exchange his goods for those of the traders. Goods from the Northwest (mainly furs at first) began to reach other parts of the world. New ways of doing things began to appear. So did new ways of using the old resources.

SUPPORTING CONCEPTS

1. The explorers and the fur traders ran great risks because they hoped for great rewards. Some of them hoped to find new resources which would help the country grow. Some of them hoped to earn a lot of money. Some of them hoped to gain back more than they had spent on ships, guns, and other things needed by an expedition or a trading post.

2. The discovery of the Pacific Northwest created new markets in which the Indians could exchange their goods for those of the Americans.

3. Once it was discovered, the Pacific Northwest began to specialize on products that it could sell in world markets.

4. When the explorers came, the economy of the Pacific Northwest began to grow and change.

VOCABULARY

specialization	loss	services
resources	products	trade routes
profits	goods	

SUPPORTING CONCEPT 1

THE EXPLORERS AND THE FUR TRADERS RAN GREAT RISKS BECAUSE THEY HOPED FOR GREAT REWARDS. SOME OF THEM HOPED TO FIND NEW RESOURCES WHICH WOULD HELP THE COUNTRY GROW. SOME OF THEM HOPED TO EARN A LOT OF MONEY. SOME OF THEM HOPED TO GAIN BACK MORE THAN THEY HAD SPENT ON SHIPS, GUNS, AND OTHER THINGS NEEDED BY AN EXPEDITION OR A TRADING POST.

ACTIVITIES

Discussion: Have the children imagine they are fur traders from St. Louis. Why would they go to Oregon for furs? How

(more)

Activities (continued)

would they get there? What equipment would they need? What dangers would they run? Who would buy their furs? Why should they engage in this kind of work instead of being farmers or businessmen or workers in civilized Connecticut or Pennsylvania?

Role playing: President Jefferson and some aides are talking to Lewis and Clark. Lewis and Clark describe the probable difficulties and dangers of their proposed expedition. President Jefferson explains how important it is to explore the western lands. The class votes to see if the expedition should begin.

Most of the children are Boston shipowners. They have just built a beautiful and expensive vessel, the Columbia, and want to use it in the most profitable way. Captain Smith (or Jones) wants to use it in the safe but not very profitable coastal trade between Boston, New York, and Charleston. Captain Grey wants to take it to the Pacific Northwest for furs for the lucrative China trade. Groups of children representing each captain prepare written and/or bulletin board displays showing where they want to go, the risks they will run, and the gains they hope for. The class votes to see what should be done with the ship.

Discussion: Would the Boston shipowners want President Jefferson to send a navy expedition to find a "Northwest Passage" from the Pacific to the Atlantic? Why? (Less risk than the old route via Cape Horn or the Cape of Good Hope; less time involved, hence, more voyages for the same cost.) Would they want to pay for such an expedition themselves? (Less likely: they couldn't get their money back unless they could keep the passage to themselves or charge other ships a toll.) How would they feel about a Panama Canal?

Riddle: Is this proposition worthwhile?

We invest $100 in a voyage. If our ship comes back, we will receive $200; but for every two ships that set sail only one will come back.

Answer: It is a break-even proposition. $100 on each ship is $200 altogether, and we can expect $200 back from the one ship that returns. (This ignores interest.)

Harder: $100 earns $125; but for every four ships that set sail, three will come back. Answer: We lose $25.

EVALUATION

Have the children had an opportunity to compare the risks and possible gains of the Lewis and Clark expedition with those of the space program?

(more)

Evaluation (continued)

Can they list both the costs and the possible rewards of an expedition or another venture?

SUPPORTING CONCEPT 2

THE DISCOVERY OF THE PACIFIC NORTHWEST CREATED NEW MARKETS IN WHICH THE INDIANS COULD EXCHANGE THEIR GOODS FOR THOSE OF THE AMERICANS.

ACTIVITIES

Discussion: Did the Indians gain when they exchanged their furs for trinkets? (Yes, at least they thought they did. Trade doesn't take place unless both parties think that they gain.)

Pantomime the Indians discovering the many conveniences of civilization (metal goods, trinkets, guns). Show the Indians trading their surplus goods to satisfy their wants for such things.

Make button blankets. The button blanket, rather like a tuxedo to the Indian, came into being after the explorers arrived and traded with the Indians. The children can make a design on a small piece of cloth and outline the design with buttons.

Tell this story. Little Red Fox caught a salmon and traded it for a blue kerchief which he put around his neck. His mother, Laughing Bear, thought that Little Red Fox was smart. (Why?) The next day Little Red Fox caught another salmon and traded it for a blue kerchief, and the day after that he did the same thing. Laughing Bear says, "Now I think that Little Red Fox is stupid." Why does she think this? (Because an Indian boy with only one neck doesn't need three kerchiefs.)

Role play an explorer trading different goods with an Indian. What did the explorer want? Why? What did the Indian want? Why?

Figure out the costs to the Indians and to the traders of the various things they exchanged. For example:

Trinkets	Indians	Traders
Materials needed to produce a trinket	scarce	plentiful
Labor able to produce trinkets	none	plentiful
Tools needed to produce trinkets	none	plentiful
Cost of trinket	relatively high	relatively low

(more)

Activities (continued)

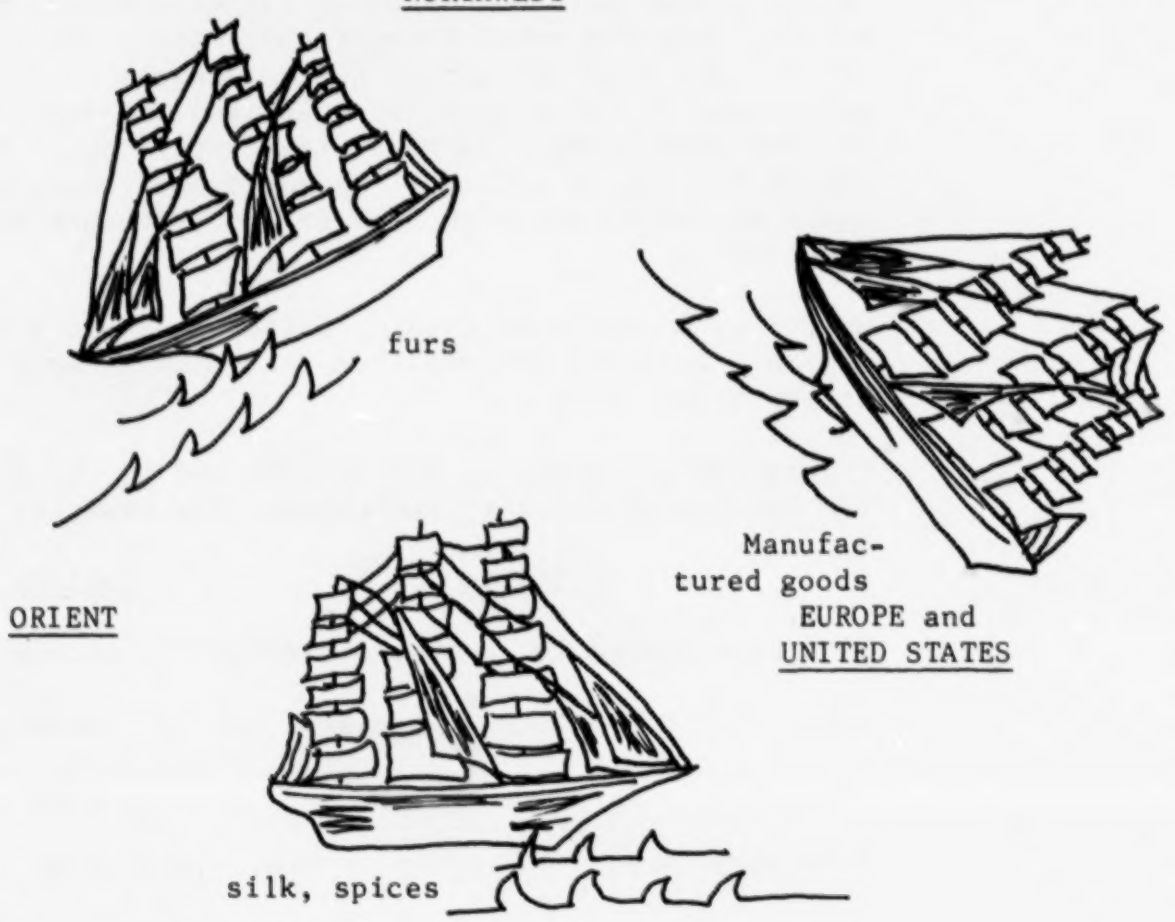
Prepare a pictograph with an explorer on one side and an Indian on the other. Have children list or draw pictures of what these people wanted or needed. Discuss the possibilities of trade: i.e., the Indian had no other way of obtaining metals, buttons, glass. The explorer wanted furs from the Indians.

EVALUATION Can the children explain why an Indian might be willing to exchange a valuable fur for an inexpensive trinket? (Because to the Indian, the fur was inexpensive and the trinket was valuable.)

SUPPORTING CONCEPT 3

ONCE IT WAS DISCOVERED, THE PACIFIC NORTHWEST BEGAN TO SPECIALIZE ON PRODUCTS THAT IT COULD SELL IN WORLD MARKETS.

ACTIVITIES Diagram the trade that developed between the Pacific Northwest, the Orient, and Europe. Use pictures or actual samples to show what goods were sent from the Northwest to the Orient, from the Orient to Europe, and from Europe back to the Northwest.



Activities (continued)

Expand the preceding triangular trade example and bring it up to date. A class or a committee could use movable ships and/or samples of actual products to explain what products the Pacific Northwest ships to other countries and what products it receives from them. Also, movable trains or trucks should be used to show products being shipped to and from the eastern or central states. See Appendix 2.

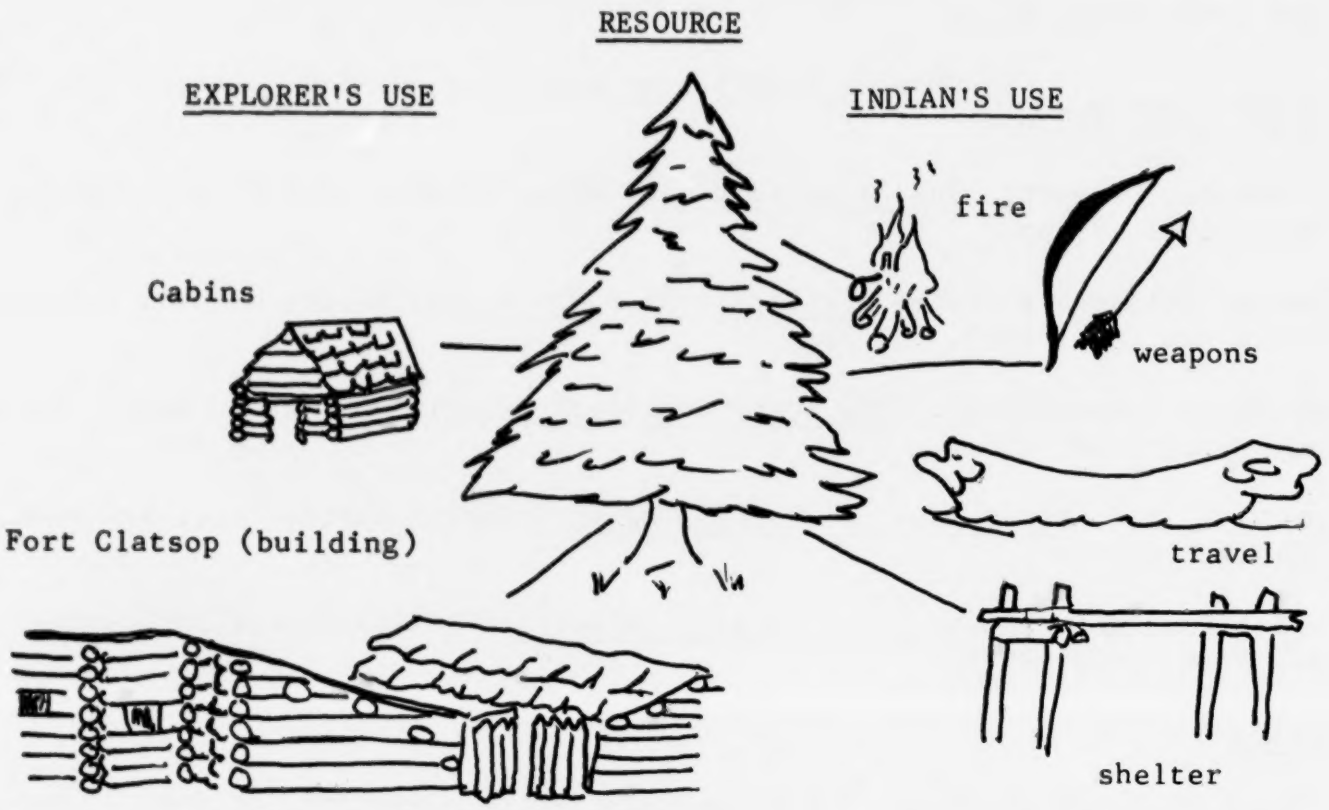
Discussion: Would we be better off if we tried to grow bananas in Oregon? What about our making automobiles?

EVALUATION Can the children name some of the things that were (or are) sent from the Pacific Northwest to other places? Can they name some things that were (or are) sent from other places to the Pacific Northwest?

SUPPORTING CONCEPT 4

WHEN THE EXPLORERS CAME, THE ECONOMY OF THE PACIFIC NORTHWEST BEGAN TO GROW AND CHANGE.

ACTIVITIES Discuss or illustrate on the bulletin board the new uses to which the resources of the Northwest were put with the coming of the fur traders and explorers. Use essays or pictorial examples of the use the Indians and the pioneers made of such resources as trees, fish, wildlife, fertile lands, and minerals.



Activities (continued)

Make a mural of early Fort Vancouver showing the variety of crops and orchards that were being raised there at that time. Show the bakery, grist mill, blacksmith shop, and sawmill.

See Activity 4, page 4. (Models of an Indian village and a pioneer town)

Discussion: Why were the pioneers and the explorers able to use resources in a different way than the Indians did? Was it because they were able to trade with other parts of the world? Was it because their customs made it easier for them to experiment with new ways of doing things?

EVALUATION

Can the children name one or two specific ways in which the coming of the explorers and the fur traders changed the traditional life of the Indians? (They didn't make flint arrowheads any more. They began to use guns. They began to trap beavers and sold the fur to the traders.)

RESOURCES

Books

Daugherty, James: Trappers and Traders of the Far West, Random House, Inc., New York, 1952, 181 pp.

Dorian, Edith: Trails West and Men Who Made Them, McGraw-Hill Book Company, New York, 1955, 92 pp.

_____: Kit Carson, Trailblazer and Scout, Julian Messner, Inc., New York, 1942, 241 pp.

Holbrook, Stewart: The Columbia River, Holt, Rinehart and Winston, Inc., New York, 1965, 89 pp.

McCall Children's Press: Explorers in a New World, Harper and Row Publishers, Inc., New York, 1960, 153 pp.

Neuberger, Richard L.: The Lewis and Clark Expedition, Random House, Inc., New York, 1951, 179 pp.

Rich, L. D.: First Book of the Fur Trade, Franklin Watts, Inc., New York, 1965, 86 pp.

Syme, Ronald: Captain Cook, Pacific Explorer, William Morrow and Company, New York, 1960, 96 pp.

Films

"Great River of the West: The Columbia," [illegible] Productions, 22 min., c.

(more)

Films (continued)

"In Beaver Valley," Walt Disney Productions, 32 min.

"Journals of Lewis and Clark," Encyclopaedia Britannica Films, 27 min., c.

"Lewis and Clark," Encyclopaedia Britannica Films, 1950, 17 min., b/w.

"Mountain Men," Barr, 1964, 14½ min., c., revised version of 1953 motion picture, "Fur Trappers Westward."

Filmstrips

"Lewis and Clark Expedition," Enrichment, 1955, 45 fr., c.

The Pioneers

BIG IDEA

The pioneers were faced with difficult economic problems. The Pacific Northwest offered quantities of rich and abundant land, but the pioneers were short of labor and very short of tools and equipment. They had to make wise decisions to make sure that these scarce resources were used in the best possible way.

At first the pioneer families produced almost everything they needed for their own use. Later they began to specialize and to trade or sell some of the things they made for things that other people made. Improved methods of transportation, the increasing use of money, and a larger population helped make specialization possible; and increased specialization was an important factor in making life easier for the pioneers.

SUPPORTING CONCEPTS

1. The pioneers had to decide how best to use the resources that were available to them.

2. The division of labor was part of the pioneers' everyday life.

3. When methods of transportation and communication improved, the pioneers began to specialize in products that they could trade or sell to others.

4. The pioneers gradually developed a money economy like our modern one.

5. As time passed the pioneer economy changed and grew.

VOCABULARY

production	market system	specialization
scarcity	economic growth	capital goods
choice	division of labor	growing economy

SUPPORTING CONCEPT 1

THE PIONEERS HAD TO DECIDE HOW BEST TO USE THE RESOURCES THAT WERE AVAILABLE TO THEM.

ACTIVITIES

Make a bulletin board display with a large pioneer man and woman in the center. They represent human resources. Show the other resources of land, water, forests, and capital (tools, buildings, wagons) and divide them into specific uses. Save this presentation and use it later for a comparison with our modern society and how we utilize our resources today.

Read descriptions of pioneer life. Discuss pioneer resources (land, labor, tools, animals) and how the pioneers decided to use them.

(more)

Activities (continued)

Why did the pioneers come West?
Compare living conditions in the West with those in the East or South by listing or drawing pictures of the goods and services available in each region. Was living easier in Oregon? For everybody?

Point out that the pioneers could get free land—provided they fulfilled specific obligations. Was free land worth the hardship and privation?

Why did the earliest pioneers tend to settle close to such existing trading posts or forts as:

Astoria	- 1829	Walla Walla	- 1856
Oregon City	- 1842	Helena	- 1864
Salem	- 1840	Boise	- 1863
Portland	- 1844	Lewiston	- 1861

Map project. On an outline map of Oregon show areas suitable for farming and the crops grown in those areas. Did the pioneers tend to settle the best land first?

Not all pioneers became farmers. Some of them became businessmen (blacksmiths, millers, ferryboat men). Ask the class to compose a story about a pioneer who decides to become a businessman instead of a farmer. How will he decide such questions as these:

What kind of enterprise will be profitable?
Where can I get the money to start my business?
What risks will I have to take?
Where should I locate the business?
How many workers will I need and what will each do?
What tools will I use and where will I get them?
What materials will I need?
What competition will I have?

Discussion: How did the pioneers live in the winter and early spring when animals were hard to catch, when there were no wild fruits or berries, and when the crops hadn't had a chance to ripen? At this point the class might gather wild berries and dry them, or make dried apples (see page 18, Activity 4). Make the point that if the pioneers had wasted time or resources in the summer when they were plentiful, they would have starved in the winter when resources were scarce.

Hold a discussion and write a summary pointing out that the pioneers cut down forests to clear land for farming and hunted and trapped animals until in many cases they became very scarce. Was this a logical thing for the pioneers to do? How do we feel about it now?

(more)

EVALUATION

Can the children list (a) things that the pioneers had plenty of, so that they didn't have to be very careful of them and (b) things that the pioneers had to be very careful with, because they were in short supply?

Does the second list include such things as tools, seed, and provisions for the winter?

SUPPORTING CONCEPT 2

THE DIVISION OF LABOR WAS PART OF THE PIONEERS' EVERYDAY LIFE.

ACTIVITIES

Describe the division of labor that took place on the wagon train. Stress the role of men, women, and children, pointing out that special situations (such as fording a river) required each to change his job.

Compare models (or pictures) of a pioneer cabin and a modern house and emphasize the greater complexity of the modern house. List or describe the need for more skilled and specialized labor in the construction of the modern house.

Pioneer House	Modern House
Father, with help of mother children, and neighbors. (House-raising was the gathering of many friends and neighbors—involving greater division of labor but not always more skills.)	Building inspectors Surveyors Architects Electricians Carpenters Plumbers

Have the students write "help wanted" newspaper ads. They should list such requirements as education, skill, and general personal qualifications. Two copies of the ad should be made—one for the pioneer times and the other for present day. Pasting the ads in a "Help Wanted" column of a Pioneer Gazette and a Modern Journal should point out the differences in skill and education required.

Discuss the way in which the women and the children from several families would get together to dry and preserve foods. Then dry apples. Divide the room into groups. Have one group prepare a table with newspapers and a pan for peeling, others prepare a table with newspaper pad and clean butcher paper for drying. Let groups take turns peeling, slicing, and laying out for drying. When apples are dried, cook and "sample" them.

(more)

Activities (continued)

Divide the class in half and have an egg dyeing party. Decide upon a design that can be used by all and go into production. One group could do it individually while the other half forms an assembly line. Compare the two methods and discuss ways of speeding up production.

EVALUATION

Can the children name some specialists who were needed on the wagon train or in a pioneer community? (wagon master, wheelwright, blacksmith, gunsmith, miller) Can they name some modern specialists?

SUPPORTING CONCEPT 3

WHEN METHODS OF TRANSPORTATION AND COMMUNICATION IMPROVED, THE PIONEERS BEGAN TO SPECIALIZE IN PRODUCTS THAT THEY COULD TRADE OR SELL TO OTHERS.

ACTIVITIES

Write a script to dramatize the life of a pioneer family. Develop a situation around the opening of a new wagon road between the family home and a larger settlement over the mountains. Such a script could be coordinated with a Thanksgiving or Christmas theme for presentation to the school with costumes, props, and music.

The play could develop such economic themes as these: "The family has always wanted some 'store boughten' things, but it couldn't have them before because the store was too hard to get to." The new road will permit the family to reach the store in a reasonable length of time. It can now go to the store and bring its purchases back home.

How will the family pay for the things that it wants to buy? Will it have to sell some of its possessions, a plow or a gun, in order to pay for things? Is there some "money crop"—furs, minerals, food, grain, chickens—that it can produce, transport, and sell? What can the various members of the family contribute to the production of the "money crop?" What will happen to the family if the price of the "money crop" fails?

The store has many items to sell, but the family can only afford some of them. Which will it buy? Calico, gunpowder, a new ax, breeding chickens, seed, dishware, pots and pans, a kerosene lamp, books? Will there be enough to buy something that the children have always wanted?

Discuss the pioneer communities in the Northwest. Point out that they have changed: some are still important communities, but others are still small or may even have vanished.

(more)

Activities (continued)

Make a list of occupations the pioneers had before they came West. Then discuss how they gradually reverted back to those occupations after improvements in transportation and communication permitted them to produce their specialized goods or services.

Divide the children into groups. Have the groups do research projects on the short season in which farm produce could be hauled from the Tualatin Valley to the Portland market because of the late spring and early fall rains. After the farmers got together and built a corduroy road, they could deliver the produce at anytime.

CORDUROY ROAD

EVALUATION Can the class list some things that a pioneer family would not be able to produce for itself? Can it explain how the family would get the money to buy such things?

SUPPORTING CONCEPT 4

THE PIONEERS GRADUALLY DEVELOPED A MONEY ECONOMY LIKE OUR MODERN ONE.

ACTIVITIES Play a game showing the disadvantages of barter. A pioneer with wheat wants some help with the plowing. The plowman wants his horse shod. The blacksmith wants oil for his lamps. The merchant has oil but wants wheat to sell to the Hudson's Bay Company. (No trading can take place until all of them meet together.) Then play the same game using money.

Ordinary money was scarce in pioneer days, so in the 1840's the Territorial Legislature declared that "good merchantable wheat at the market price" was legal tender--had to be accepted just like money.* Was wheat a good thing to use as money?

(more)

*O.K. Burrell: Gold in the Woodpile, an Informal History of Banking in Oregon, University of Oregon, Eugene, 1967, p. 4

Activities (continued)

After the children have read some descriptions of pioneer life, ask questions like these to help them understand the differences between the Indian economy, the pioneer economy, and our modern economy.

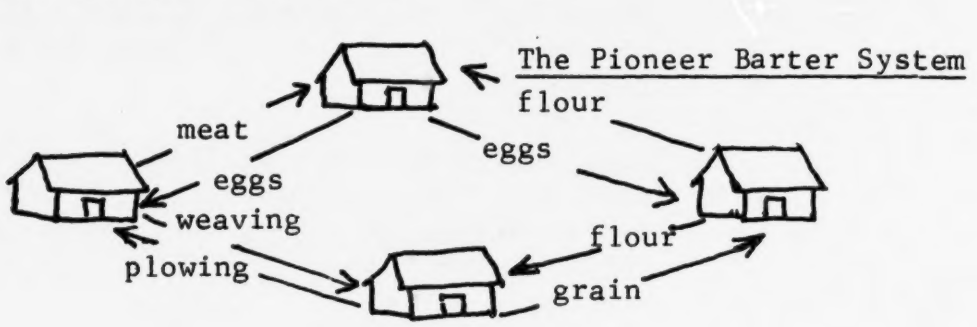
Did many of the people (Indians, pioneers, or modern Americans) work for money wages?

Did they use money to buy the things they needed, or did they make them for themselves?

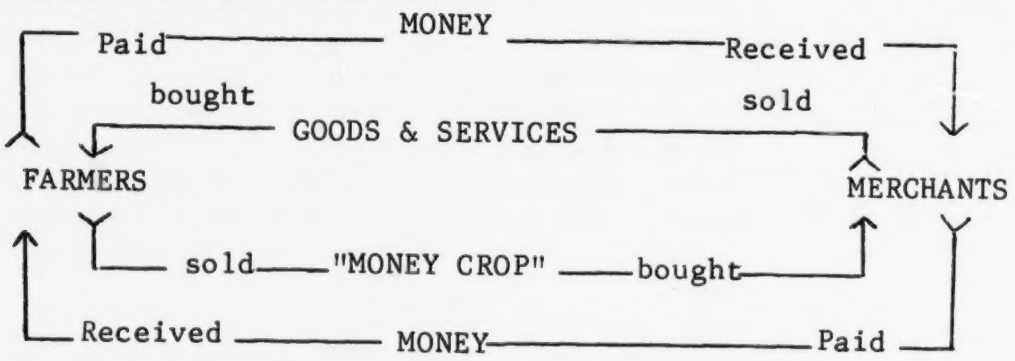
Did they plan on selling most of the things they produced?

Did they look at prices of products or of resources before they decided what to make or how to make it?

Draw diagrams on the board to help illustrate the difference between the early pioneer barter economy and the money economy that gradually evolved. (Circular flow diagrams like these will be used later on.)



The Later Money Economy



Refer to the section on Indians, pages 5 and 6 for additional activities involving money.

Work up a bulletin board with the title, "Barter to Money." Show a progression of events from the trading between explorers and Indians and fur traders and Indians, to a picture or sketch of the Beaver Coin Mint at Oregon City, to the modern use of paper money or of checks. (Note: you may assume that checks are a kind of money, because people generally accept them as money and use them as money.)

EVALUATION

Can the children think of examples that would show the increasing importance of money to the pioneer? (Someone in the family takes a job for pay. They buy a chair instead of making it.)

SUPPORTING CONCEPT 5

AS TIME PASSED THE PIONEER ECONOMY CHANGED AND GREW.

ACTIVITIES

Groups of children pretend that they are "Grandfather Indian" or "Grandfather Fur Trader," "Grandfather Pioneer," or "Modern Grandfather." They write stories about "What Life Was Like When I Was a Boy." The class listens to the stories and watches for differences between the old days and modern times.

Discussion: "Did pioneer children have more fun than modern children?" "Did pioneer mothers have more fun than modern mothers?" "Did pioneer fathers have more fun than modern fathers?"

List things that the early settlers used but which aren't used now. (Suggestions: calico, red flannel, lamp oil, beaver skins, ox yokes, bear skins, saddles, spinning wheels.) Compare with a list of things that we use but the settlers did not.

Trace the growth of a town. Draw a large map of a likely location. Show roads or trails (if any) and rivers. Have three or four families of settlers move into the area and begin to farm. Then let each of the children move into the area and decide: Is this a good place for me to settle? If so, what kind of trade or business should I go into? (Suggestions: farms, general store, livery stable, river boat, stage coach, church, school, jail, hotel, bank.) As the children settle in the town, they pin appropriate pictures on the map and explain why they decided what they did.

Discuss the work of missionaries and the community services they helped to establish: schools, churches, early governments, town meetings. Were such services valuable? Where were they located? What resources did they use? How did they get these resources?

Divide the class into committees representing the United States Indian Service. Each committee writes a report to the chief of an Indian tribe. The reports explain why the Indian economy has been hurt by the coming of the pioneers. They note changes in the use of land, labor, and tools and

(more)

Activities (continued)

point out changes in transportation and technology. They explain how these affected the resources that the Indian economy had used.

EVALUATION Do the children describe economic growth solely in terms of increased population and new ways of doing things, or do they also mention improved standards of living and a greater degree of specialization?

RESOURCES

Books

Havighurst, Walter: First Book of the Oregon Trail, Franklin Watts, Inc., New York, 1960, 60 pp.

Lampman, Evelyn Sibley: Wheels West: The Story of Tabitha Brown, Doubleday and Company, Inc., New York, 1965

Mason, Miriam E.: Young Mr. Meeker and His Exciting Journey to Oregon, Bobbs-Merrill Company, Inc., Indianapolis, 1952, 168 pp.

Ross, Nancy Wilson: Heroines of the Early West, Random House, Inc., New York, 1960

Films

"Pioneer Home," Coronet Films, 11 min., color

Filmstrips

"Blacksmith," Curriculum Materials Center, Herbert M. Elkins Co., Tujunga, California, 1951, 24 fr., color

"Farm Kitchen," Curriculum Materials Center, Herbert M. Elkins Co., Tujunga, California, 1951, 34 fr., color

"Life on the Wagon Train," McGraw-Hill Book Company, New York, 1963, 38 fr., color

"Oregon Trail, The," Young America Films, 1950, 49 fr., color

"Oregon Trail, The," Haeseler, 1958, 79 fr., color

"Play Time," Curriculum Materials Center, Herbert M. Elkins Co., Tujunga, California, 1951, 30 fr., color

"School at Four Corners," Curriculum Materials Center, Herbert M. Elkins Co., Tujunga, California, 1951, 36 fr., color

"Solving Community Problems," Curriculum Materials Center, Herbert M. Elkins Co., Tujunga, California, 1951, 36 fr., color

Oregon Statehood

BIG IDEA

The pioneers soon felt a need for public services. They formed governments to provide some of these services and they taxed themselves to pay for them.

SUPPORTING CONCEPTS

1. The pioneers soon established a system of government.

2. Our modern system of government is larger and more expensive than that of the pioneer period, but it provides more goods and services to the people.

VOCABULARY

government
provisional
taxes
property tax
income tax
revenue
tax commission
sales tax
expenditures
budget

SUPPORTING CONCEPT 1

THE PIONEERS SOON ESTABLISHED A SYSTEM OF GOVERNMENT.

ACTIVITIES

Read from the textbook or another source about the events leading up to the Champoeg meetings and about the growing desire for a state government.

Make a mural of the events leading to Oregon's statehood.

Read Notes on the Early History of Taxation in Oregon (Appendix 3, this guide).

After studying the wolf-meetings, have the children role play a discussion between pioneers who feel....

"Let those who are attacked kill their own wolves."

"Let those who want to contribute to the bounty fund."

"Why should I contribute? I live in town and wolves don't bother me."

"Why should I contribute? If everyone else does, the wolves will be killed and I will be safe."

"Everyone is threatened by wolves. Everyone must contribute whether they want to or not! Otherwise there won't be enough money to pay the bounty and to get rid of the wolves."

(more)

Activities (continued)

"Some of us can afford more than others. Let those who can afford more pay the larger share."

After the discussion, the class votes on each point of view.

Consider the wolf-meetings from the standpoint of taxation and government spending. Draw diagrams comparing the wolf tax and bounty with other taxes and other types of government spending.

TYPE OF TAX	COLLECTED BY	PAID BY	USED FOR
Wolf Tax	Local committee	All	Bounty to killers of wolves
Property tax	State and county governments	Property owners	Roads, schools, policemen, firemen
Gasoline tax	State and federal governments	Motorists and trucking companies	Highway construction and maintenance, other purposes

Fill in an outline map of the Northwest Territory for the period around 1859. Show the main settlements in Oregon and indicate the areas with the greatest population density. From this map discuss problems which might call for government action. Ask the children why individual settlers might not be able to handle these things for themselves. Consider such issues as....

Defense (from wolves, Indians)
Roads, bridges, lighthouses, etc.
Schools and colleges
Law, order, and justice
Sanitation, pure drinking water
Fire protection

EVALUATION Can the children name some of the services the settlers wanted their governments to provide? Do they know how the settlers raised the money to pay for these services?

SUPPORTING CONCEPT 2

OUR MODERN SYSTEM OF GOVERNMENT IS LARGER AND MORE EXPENSIVE THAN THAT OF THE PIONEER PERIOD, BUT IT PROVIDES MORE GOODS AND SERVICES TO THE PEOPLE.

ACTIVITIES Add government to the circular flow diagram. (The picture shows the finished product. You should begin with businesses and families and add the government flows step by step.)

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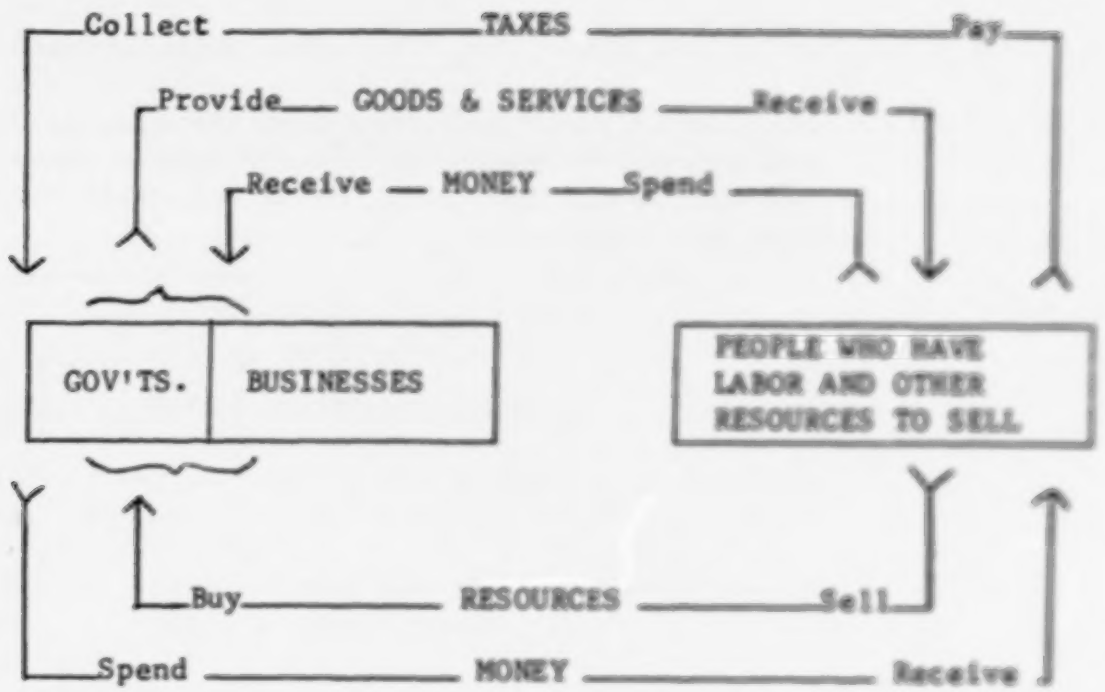
OREGON STATEHOOD (continued)

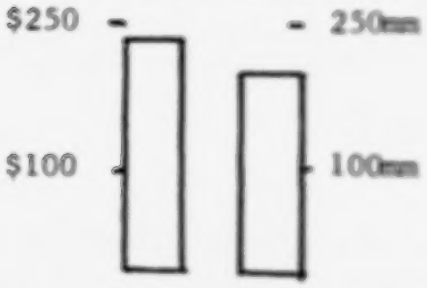
Activities (continued)



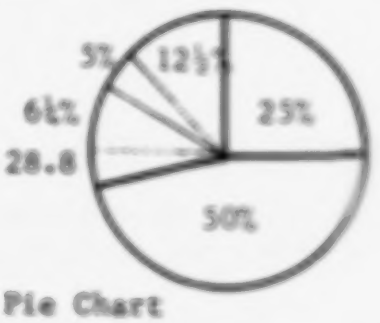
Compare the Portland of 1850 (population 821) with Portland today (1960 metropolitan area population, 922,000). Why might people who live in Portland today want to spend more money on government services? Consider such specific matters as....

schools	policemen
roads	dog catchers
sewers	weights and measures
hospitals	aid to the poor
firemen	pure water

Ask committees to make charts showing where local governments and state governments (a) get their money and (b) spend it. Information for the charts is in Appendix 4. The charts might look like this.



Bar Chart



Pie Chart

Hint: Charts don't have to be too accurate. Make a preliminary bar chart with a metric ruler, and then make the bars three or four times higher for the final chart. If you want

(more)

Activities (continued)

to put 28.8% on a pie chart, remember that one-quarter of the pie is 25% and show 28.8% as a slightly bigger slice than that, or make a 5% tamplate (really 6¼%) like the one in the picture and use it to work your way up from 25% to 30% or down from 50% to 45%.

Scrapbook or bulletin board: news items showing how and where governments get their taxes and where and how they are spent. (Watch for stories on the state budget in December of legislative years and on city or county budgets in January or June. School budgets are generally available, in tentative form, sometime in January.)

Discussion: Why do we have government?

The whole community suffers unless some services are made available to everybody. The fire department must put out every fire, because any fire can spread. We once had private fire engine businesses. They would put out a fire at your house if you paid them for this service. But if you didn't or couldn't pay, they would let your house burn down. (They had to, otherwise no one would have bothered to pay them and they would have had to go out of business.) But people who didn't or couldn't pay sometimes had fires, fires that got big and spread to other buildings or even to whole towns. Now most people think it is better to have everyone pay taxes for a city fire department. (Related examples: roads, schools, sewage disposal systems, public health)

It would be hard for private businesses to sell some goods and services, even though they are very important. How could a private business charge sailors for the use of a lighthouse? (Related examples: hospitals, space program, air pollution)

Resources would be wasted if several private businesses tried to provide electric or telephone service to customers in the same area. However, if only one firm provides the service, it may charge prices that are too high. This is why the government regulates and sometimes owns electric and other public utilities.

It might be dangerous to let private businesses operate a police department, an army, a navy, or a guided missile program.

Discussion: Why do we have so many governments? (Over 200 in the Portland metropolitan area)

EVALUATION

Can the children list the major things our governments spend money for? (defense, education, social insurance, highways. See Appendix 4.)

Evaluation (continued)

Do they know where our national, state, and local governments get their money? (The federal government and the state of Oregon rely mainly on the income tax; local governments rely mainly on the property tax.)

RESOURCES

State-Adopted Textbook

Junnell, Joseph S. and Emlyn Jones: Exploring the Northwest, Revised, Unit 5, Follett Publishing Company, Chicago, 1966

Books

Economic Report of the President, Washington: Government Printing Office, 1966

Oregon Blue Book, Secretary of State's Office, Salem, Oregon, 1967

Publication on State and Local Taxes, United States Bureau of Census, Washington, D.C.

State and Local Taxes, AFL-CIO, Washington, D.C., 1958

Our Transportation and Communications System

BIG IDEA

If transportation is difficult and expensive, it is hard for people to specialize in products that must be shipped to other places and to take advantage of goods and services manufactured by specialists in other places. Transportation is easier and cheaper than it used to be, but we still have to weigh costs of improved methods of transportation against benefits they bring.

SUPPORTING CONCEPTS

1. It was difficult and expensive for the pioneers to ship things from place to place. They couldn't specialize very much, because it was hard for them to ship their products to distant markets and hard for them to take advantage of goods manufactured by specialists in other parts of the country.

2. It is now much easier and cheaper to ship things from place to place. Because of this we can ship some of our specialized products to distant markets, and we can take advantage of goods manufactured by specialists in other parts of the country.

3. The benefits of improved methods of transportation have to be weighed against their costs.

4. Methods of transportation affect the location and growth of our cities.

VOCABULARY

specialization	choice	corporation	bonds
scarcity	capital	stocks	monopoly

SUPPORTING CONCEPT 1

IT WAS DIFFICULT AND EXPENSIVE FOR THE PIONEERS TO SHIP THINGS FROM PLACE TO PLACE. THEY COULDN'T SPECIALIZE VERY MUCH, BECAUSE IT WAS HARD FOR THEM TO SHIP THEIR PRODUCTS TO DISTANT MARKETS AND HARD FOR THEM TO TAKE ADVANTAGE OF GOODS MANUFACTURED BY SPECIALISTS IN OTHER PARTS OF THE COUNTRY.

ACTIVITIES

Display models or pictures of old transportation equipment: covered wagons, stagecoaches, river steamers, sailing ships. How do they compare with their modern equivalents in terms of (a) speed; (b) how many people they can carry; (c) how much they can carry--number of boxes one foot-square or three feet square (cubic feet or cubic yards).

(more)

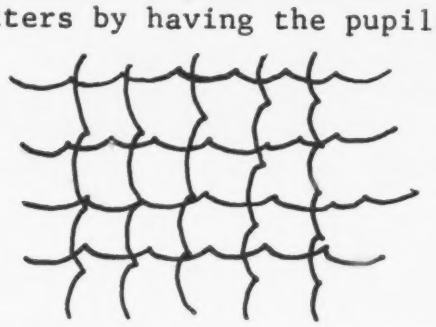
OUR TRANSPORTATION AND COMMUNICATIONS SYSTEM (continued)

Activities (continued)

Make maps showing the important transportation routes of 1850 or 1890. Show navigable rivers, trails, roads, ferries, railroads, etc. Estimate the amount of time that it would take to get from one place to another and write it on the map. (Assume five miles an hour) Save the maps for future reference.

Let members of the class be a pioneer family. They write a letter home for some of the things they need from the East: cotton cloth, kerosene for lamps, shoes, tea, rifles, window glass, cooking utensils. They refer to a map and write detailed shipping instructions: by horse and cart from Boston, by sailing ship to Astoria, by river boat to Oregon City, by ox cart to Salem, by pack mule to Silverton. How much time would such transportation take? Would it cost a lot? Would some things be too big or too heavy or too fragile to send?

Show how the pioneers cut down on the expense of sending letters by having the pupils write both ways on the paper.



The pioneers needed to earn money so that they could buy things that weren't made in Oregon. Consider the transportation problem and discuss which of the following Oregon products could best be sold for money in the East, in California, in Hawaii, or elsewhere: furs, lumber, grain, wool, salmon, strawberries, beef. How were some of these products actually shipped to market?

Make a mural showing the pioneers exporting furs and other products and importing such things as furniture, clothing, wagons, sugar.

Have the children do a research project on the first grain storage deport at Champoeg. Determine where the grain was grown (French Prairie, Willamette Valley, Tualatin Valley) and where it was sent (Russian colonies in Alaska, California, Hawaii).

Study the history of river travel on the Willamette or the Columbia. Discuss portage problems and cost. Include activities that brought about the development of river traffic: i.e., the discovery of gold, surplus farm products.

(more)

Activities (continued)

Tell the children about Louis Remme, who in February 1855, rode from Sacramento to Portland in six days in a successful attempt to outrace the steamer Columbia. (He wanted to cash a $12,500 check before news of a California bank failure reached Oregon.) See O. K. Burrell: Gold in the Woodpile, University of Oregon, Eugene, Oregon, 1967, pp. 27-39.

EVALUATION Do the children understand that difficulties in transportation forced the pioneers to do almost everything for themselves and that this tended to reduce their standards of living?

SUPPORTING CONCEPT 2

IT IS NOW MUCH EASIER AND CHEAPER TO SHIP THINGS FROM PLACE TO PLACE. BECAUSE OF THIS WE CAN SHIP SOME OF OUR SPECIALIZED PRODUCTS TO DISTANT MARKETS, AND WE CAN TAKE ADVANTAGE OF GOODS MANUFACTURED BY SPECIALISTS IN OTHER PARTS OF THE COUNTRY.

ACTIVITIES Have any of the children been to Disneyland? Have them write stories explaining how they got there. Then have them write stories about how a pioneer family might have gone to Disneyland.

Display models or pictures of modern transportation equipment. How fast does it go? How many people does it carry? How much can it carry? (Guess the number of boxes one foot square or three feet square.)

Make maps of modern transportation routes—rail, water, highway, air. Compare them with the maps of the older routes. Do the new routes serve the same towns? Do they follow the same valleys or go over the same passes? Why? Show the amount of time it takes to go from place to place (assume 50 miles an hour).

Have the children make lists of the things they and their families use, together with the places where they were made (look at boxes and cartons). Find the places on a map. Why don't we make some of these things in Oregon? Would the pioneers have liked these things? Could they have made them here or shipped them here at reasonable cost?

Ask your Chamber of Commerce or ask the children to ask their parents about products that your town makes for shipment to other places. How are such products shipped to market? Where do they go? Could they have made them here or shipped them away.

Ask the children to list some of the products they know about—fresh fruits and vegetables, fresh fish, fuel oil,

(more)

Activities (continued)

lumber, automobiles, meat. Then show them this table and have them decide which method of transportation would make most sense for which product and which destination.

Approximate cost of transportation in cents per ton/mile, 1966 (2,000 pounds carried for one mile)	
Air freight	12.5
Railway express	10.5
Truck	5.5
Railway	1.25
Ocean going freighter	0.75
Ocean going tanker	0.30
Pipe line	0.25

EVALUATION Can the children relate the modern transportation system to our ability to produce specialized goods and services for distant markets and to our ability to utilize goods and services that can be made more cheaply in other places?

SUPPORTING CONCEPT 3

THE BENEFITS OF IMPROVED METHODS OF TRANSPORTATION HAVE TO BE WEIGHED AGAINST THEIR COSTS.

ACTIVITIES Role playing. Two pioneers argue, "Should we take time away from the spring plowing to rebuild the bridge over the North Fork river?"

Two modern citizens argue, "Should we increase property taxes so as to build new streets and sidewalks?"

Would transportation be a good business for a pioneer? What kinds of business might he establish? What equipment would he need? What kinds of labor? How would he be paid for his services? Think about such things as toll roads, toll bridges, ferries, stage coach or wagon companies, river steamers, or railways.

Discuss or do individual reports on early transportation ventures:

The Barlow Road
Schearar's Bridge
The rawhide railroad of the Walla Walla area
James J. Hill and other railroad builders

(more)

Activities (continued)

Investigate a local transportation or communications company. (The telephone company might be a good one.) Point out that (a) the company must buy and operate various kinds of equipment, (b) that it employs skilled and specialized labor of various kinds, (c) that some of the money it needs for equipment comes from the sale of stocks and bonds, (d) that the money it receives from its customers is used to pay its employees and its owners, and (e) that the rates the company charges are (generally) regulated by public agencies.

Display clippings or pictures of government activities related to transportation. Lighthouses, bridges, harbor improvements, freeways. Are these things worthwhile? Who pays for them?

Analyze the costs and benefits of a freeway. Benefits: faster travel, cheaper goods and services. Costs: construction, land, buildings that must be torn down, businesses that may be disrupted.

EVALUATION

Do the children consider the costs of improved methods of transportation as well as the benefits?

SUPPORTING CONCEPT 4

METHODS OF TRANSPORTATION AFFECT THE LOCATION AND GROWTH OF OUR CITIES.

ACTIVITIES

Look at maps of old and modern transportation routes. Do cities tend to appear where two rivers meet or two roads cross, or where one kind of transportation meets another kind? Why might this be so?

Have a group do research to find how rivers, which were an important early means of travel, influenced the location of Portland, Oregon City, Salem, The Dalles, or other cities.

Get or make a land-use map of your city or county. (They show business and manufacturing areas, etc.) Most city or county planning commissions have them. A large one for the Portland area can be obtained from the Metropolitan Planning Commission for about $1.00. Let the children discover that the older business districts tend to cluster along bus or former streetcar lines and that suburbs tend to grow in areas adjacent to important roads or freeways.

EVALUATION

Can the children explain how transportation affected the location or growth of a specific city?

RESOURCES

Books

Bialk, Eliza: Tizz on a Pack Trip, Children's Press, Inc., Chicago, 1961, 94 pp.

Bothwell, Jean: The First Book of Roads, Franklin Watts, Inc., New York, 1954, 64 pp.

Buehr, Walter: Harbors and Cargoes, G. P. Putnam's Sons, New York, 1955, 72 pp.

_____: Trucks and Trucking, G. P. Putnam's Sons, New York, 1956, 72 pp.

Bulla, Clyde Roberts: Riding the Pony Express, Thomas Y. Crowell Co., New York, 1948, 95 pp.

Dines, Glen: Bull Wagon, The MacMillan Company, New York, 1963

Dorian, Edith: Trails West and Men Who Made Them, McGraw-Hill Book Company, Inc., New York, 1955, 92 pp.

Nathan, Adele: The Building of the First Transcontinental Railroad, Random House, Inc., New York, 1950, 181 pp.

Films

"Great River of the West, The," Columbia Moyer, 1961, 22 min., c.

Filmstrips

"Air Transportation," Young America Films, 1946, 38 fr.

"Air Transportation," Curriculum Materials Corp., 1951, 24 fr., c.

"Land Transportation," Encyclopaedia Britannica Educational Corp., 1954, 49 fr., c.

"Telephone for the Community," Encyclopaedia Britannica Educational Corp. 1960, 52 fr., c.

"Water Transportation," Curriculum Materials Corp., 1951, 22 fr., c.

"Water Transportation," Encyclopaedia Britannica Educational Corp., 1954, 49 fr., c.

Our Industries, Businesses, and Resources

BIG IDEA

Our people and our businesses use and rely on the resources of our state. These resources include its land, its minerals, and its climate; but they also include the skills of our people and things that they have built. The future growth and development of our state and the kind of place it is to live in will depend in part on the decisions we make about how to use these resources.

SUPPORTING CONCEPTS

1. Our "primary industries" are here because they can use Oregon's resources to make goods or services for people in other places to buy. Decisions that these people make about what and how much to buy affect our "primary industries," but they also affect our "secondary industries," those that sell goods and services mainly to people who live in Oregon.

2. Most of our industries are composed of many business firms. Business firms have to pay careful attention to the prices of things, because prices tell them what to produce, how much to produce, and how to produce it. Businesses try to make a profit by selling their goods and services for more money than they cost to make, but competition between businesses tends to keep prices and profits down.

3. Our businesses and our industries are affected when people decide to buy more or less of the things they make and by the introduction of new products and new ways of doing things. All of these changes have an impact on the industries where our people work and on the kinds of jobs they do.

4. If we want Oregon to grow, we must manage our resources as well as we can, so that "primary industries" will continue to be attracted to our state. The wise management of resources involves very difficult decisions. It may be difficult or impossible for us to use resources in one way after we have once decided to use them for another. And people are often reluctant to pay for resources that they waste or destroy.

SUPPORTING CONCEPT 1

OUR "PRIMARY INDUSTRIES" ARE HERE MAINLY BECAUSE THEY CAN USE OREGON'S RESOURCES TO MAKE GOODS OR SERVICES FOR PEOPLE IN OTHER PLACES TO BUY. DECISIONS THAT THESE PEOPLE MAKE ABOUT WHAT AND HOW MUCH TO BUY AFFECT OUR "PRIMARY INDUSTRIES," BUT THEY ALSO AFFECT OUR "SECONDARY INDUSTRIES," THOSE THAT SELL GOODS AND SERVICES MAINLY TO PEOPLE WHO LIVE IN OREGON.

ACTIVITIES

Make a display about Oregon industry. Use the following information and add pictures or newspaper clippings about particular companies or particular products. Or add samples of some of the things they produce.

Employment in Oregon's Major Industries, 1967*

Agriculture	60,200	7.4%
Lumber and wood products	69,000	8.4%
Other manufacturing	95,100	11.7%
Government	68,200	8.4%
Public education	63,500	7.8%
Wholesale and retail trade	147,000	18.0%
Contract construction	30,300	3.7%
Transportation	30,800	3.7%
Finance, insurance, and realty	31,400	3.8%
Service and miscellaneous	96,900	11.9%
	817,300	100.0%

*Source: State Department of Employment

Discussion: Which of these industries sells its products mainly to people who live in Oregon? Which of them sells its products mainly to people who live outside the state? Why should we produce goods in our region that we are unable to consume locally? What goods or services do we buy that come from industries in other places? (See Appendix 2.)

Plan a field trip to the local chamber of commerce or invite someone from the chamber to speak to the class. Ask him--

- What are the major industries in our area?
- Why are they located here instead of somewhere else?
- Which of them sell their products mainly to people who live in Oregon?
- Which of them sell their products mainly to people who live somewhere else?
- Are more and more people interested in buying the things that we produce?
- Is our area growing as fast as other parts of Oregon? As fast as other areas in the United States?

(more)

Activities (continued)

Game: Have a student give clues about a locally produced goods or service and have the rest of the class guess what it is. Stress clues that tell whether the product will be used locally or exported to another area.

Make a series of panels to show how developments in other places affect the economy of your area. For example--

People in the East decide to build more houses.
Our lumber and plywood factories get more orders and hire more men.
People who work in lumber and plywood can afford to buy more things.
Local businesses that produce things for these people get more orders and hire more people, too.

Consider a decline in the housing market, a booming demand for strawberries, a decision to triple our sales of wheat to India.

Use the circular flow chart, page 26, to review the relationships between governments, businesses, and households. How would the flows change if households decided to buy more of one product and less of another?

EVALUATION

Can the children rank such industries as agriculture, lumber, manufacturing, and trade in order of the number of people they employ?

Can they give examples of "primary" and "secondary" industries?

Can they explain how a decline/increase in the demand for lumber (or another product) might affect their town or city?

SUPPORTING CONCEPT 2

MOST OF OUR INDUSTRIES ARE COMPOSED OF MANY BUSINESS FIRMS. BUSINESS FIRMS HAVE TO PAY CAREFUL ATTENTION TO THE PRICES OF THINGS, BECAUSE PRICES TELL THEM WHAT TO PRODUCE, HOW MUCH TO PRODUCE, AND HOW TO PRODUCE IT. BUSINESSES TRY TO MAKE A PROFIT BY SELLING THEIR GOODS AND SERVICES FOR MORE MONEY THAN THEY COST TO MAKE, BUT COMPETITION BETWEEN BUSINESSES TENDS TO KEEP PRICES AND PROFITS DOWN.

ACTIVITIES

Have the class invent some "price system riddles":

What should a farmer do if the price of fertilizer goes up and the price of seed goes down? Plant more seed, use less fertilizer.)

What should a lumberman do if the price of 1 x 8's goes up and the price of 2 x 4's goes down? (make more 1 x 8's and fewer 2 x 4's.)

(more)

Activities (continued)

What should a school do if the price of poster paint goes up and the price of crayons goes down? (Paint less and use crayons more.)

Have the children collect business cards, letterheads, or advertisements that identify various types of businesses: John Jones, Proprietor (a one-man business); Buss, Leichner, Lindstedt and Sipprell (a four-man "partnership"); Bend-Portland Truck Services, Inc., (a "corporation" formed by many people).

Do a case history of a local business (preferably one that makes goods for shipment outside the state). How was it started? Is it a proprietorship, a partnership, or a corporation? What does it produce? Why is it located here? Who buys its products? How does it transport them? What kind of machinery and equipment does it use? What kind of labor does it employ? Does it have a labor union?

Compare a large business, like Crown Zellerbach or Safeway with a small local business in the same industry. Think in terms of the amount of money that is needed to buy the tools and equipment that each business requires, the number of people who are employed and how they are supervised, and so on. Make the point that an individual businessman or a few partners would find it difficult to raise the money for or supply the management or supervision required by the large concern.

Make charts on the theme, "Competition tends to keep prices and profits down." Put a picture of a neighborhood business in the middle - perhaps a drug store. Then put pictures of competing drug stores around it - stores that the children have been to, know about, or have found in the yellow pages. If the prices are too high in one store, the people will do business with the others. (Make similar charts for local industries, but remember that this won't work for the telephone company, the electric company, railways, and others where prices are regulated by the government.)

Let members of the class (individuals or groups) form businesses with the idea of producing something marketable. Have them find something for which there is a demand and for which they can find adequate resources (cookies, popcorn balls, creepy crawlers). They will need to learn such words as demand, supply, capital, production, cost, profit, division of labor. Make sure that they pay rent on any borrowed equipment before they figure their profits.

(more)

EVALUATION

Can the children solve "price system riddles?" Can they name one proprietorship and one corporation? Can they suggest why each is what it is? Can they explain why competition between businesses might be important to them?

SUPPORTING CONCEPT 3

OUR BUSINESSES AND OUR INDUSTRIES ARE AFFECTED WHEN PEOPLE DECIDE TO BUY MORE OR LESS OF THE THINGS THEY MAKE AND BY THE INTRODUCTION OF NEW PRODUCTS AND NEW WAYS OF DOING THINGS. ALL OF THESE CHANGES HAVE AN IMPACT ON WHERE OUR PEOPLE WORK AND ON THE KINDS OF JOBS THEY DO.

ACTIVITIES

Draw pictures to compare the tools, clothing, food, and housing of a pioneer family with those of a modern family.

Game: modern products and pioneer products. A student gives clues to a modern or a pioneer product and the class tries to guess what it is. He has to say whether it was made during pioneer times or now or both. Stress the idea that we have many more products than we used to.

Illustrate the changing nature of work. Have each student write and describe briefly the present occupations of parents and friends (three to five each). Put the list on 3 x 5 cards. Then eliminate the jobs that did not exist 50 or 100 years ago, stressing the point that similar changes will take place in the next 25 to 50 years.

On a continuous movie roll show early logging and sawmill methods and the sailing ships used for transportation. Continue the roll showing the modern logging, sawmills, and ships. Give approximate dates for each.

Collect information about changes in products or production methods since the first lumber or paper firms were established (or use another Oregon industry).

a) Why should a firm try to use more efficient machines than its competitor? (Note that it must decide which costs more, labor or the machine.)
b) Why do firms try to improve their products?
c) Why do firms use brand names, attractive packaging, signs, and advertising?

Refer to activities 2 and 3, page 37.

EVALUATION

Can the children give an example of an industry that is growing in employment (professional work) and of one that is shrinking (farming)?

Can they name three products that they use that their parents didn't have when they were children?

(more)

Evaluation (continued)

Can they think of a national or international event or discovery that might mean more business and more jobs for a local business that they know about?

SUPPORTING CONCEPT 4

IF WE WANT OREGON TO GROW, WE MUST MANAGE OUR RESOURCES AS WELL AS WE CAN, SO THAT "PRIMARY INDUSTRIES" WILL CONTINUE TO BE ATTRACTED TO OUR STATE. THE WISE MANAGEMENT OF RESOURCES INVOLVES VERY DIFFICULT DECISIONS. IT MAY BE DIFFICULT OR IMPOSSIBLE FOR US TO USE OUR RESOURCES IN ONE WAY AFTER WE HAVE ONCE DECIDED TO USE THEM IN ANOTHER. AND IT IS OFTEN HARD TO GET PEOPLE TO PAY FOR THE RESOURCES THAT THEY WASTE OR DESTROY.

ACTIVITIES

Draw pictures of the most important trees used for lumber in the Pacific Northwest.

Locate on a map all of the dams on the Columbia River system. How much do you suppose they cost? Why were they built? Who pays for them?

Contact large timber companies for literature on tree farms.

Make lists of primary and secondary industries. (Primary industries sell mainly to people who live outside Oregon: e.g., lumber, paper, aluminum, tourism, manufacturing. Secondary industries sell mainly to people who live in Oregon: e.g., barbers, schools, retail stores, governments.)

Ask committees to investigate primary industries and to report on the resources that their industry needs: e.g., the aluminum industry needs cheap transportation for its raw materials and its product, skilled labor, and cheap electricity; the tourist industry needs transportation for tourists, scenery, a nice climate, recreational facilities, hotels, and motels.)

Make posters for some of our major resources and of what is being done to conserve or improve them. (The resources reported in activity 2 could be used.) In addition to natural resources, consider--

- Electricity
- Our transportation system (roads, highways, port facilities, river and harbor improvements)
- Our labor force (schools, colleges, graduate centers)
- Tourist facilities (motels, hotels, roads, sporting events, dramatic festivals)
- Industrial facilities (railways, areas of land set aside for the construction of factories)

(more)

Activities (continued)

Role play or debate controversies about how best to use some of our resources:

- Cut down the trees for lumber/save them for a forest park
- Build the freeway/save the houses
- Use the land for houses/save it for a watershed or farm
- Build the dam/save the fish
- Build the road/save the sandspit
- Build the motel/save the beach

Point out that it is not only hard to decide how best to use our resources today, but that if we decide to use them one way today, we may not be able to use them any other way tomorrow. (For example, land that is once used for factories or for houses can hardly ever be reclaimed for use as a park or a farm.)

We would probably have more conservation (and less pollution) if we were able to make people pay for the resources they waste or destroy, but this is often hard to do. To bring out this idea, have the class discuss such statements as these:

- Why should I bother to pick up my garbage? No one is looking and the camp ground is a mess already.
- Why shouldn't I burn my trash? It's going to be smoggy anyway.
- My engineers cannot eliminate the smell so you will just have to decide whether you want to have fresh air or 150 new jobs in your community?
- I know that the kids have always played in my meadow and in my woodlot, but I am just a poor farmer and, if I sell out to the supermarket, I'll be rich.

By the time the children have children of their own (1985) there will be 130 people living in Oregon for every 100 people here now.

Ask the children to think about what this might mean to their town. Have them think about traffic, parking, housing areas and shops, the need for schools and playgrounds.

Have them make maps of their city and the surrounding area, and have them decide where the new houses should be built, and where the new roads should go, where the new schools and the new factories should be built, and so on.

In the past, we have generally built new houses, new factories, and new stores in new little cities on the edges of our older ones. Do the children think that this is still a good idea? If not, how will they persuade people to build new factories and new houses in the older city?

EVALUATION

When the children talk about resources, do they mention such things as dams, river and harbor improvements, a skilled labor force, as well as natural resources?

Do the children remember reading or talking about newspaper accounts of a recent controversy over how best to use one of our resources?

RESOURCES

Books

Benedict, Bart: Aluminum, The Story of an Industry, Lane Book Co., Menlo Park, California, 1961, 65 pp.

Brindze, Ruth: The Story of Gold, Vanguard Press, New York, 1955, 64 pp.

Buehr, Walter: Timber: Farming Our Forests, William Morrow and Company, Inc., New York, 1960, 96 pp.

Cooke, David C.: How Paper Is Made, Dodd, Mead and Company, Inc., New York, 1959, 64 pp.

Schneider, Herman: Let's Look Under the City, William R. Scott, Inc., New York, 1954, 70 pp.

Films

"Bread," Encyclopaedia Britannica Educational Corp., 1960, 11 min., c.

"Development of Communications," Encyclopaedia Britannica Educational Corp., 1955, 10 min., b/w.

"Forest Ranger," Encyclopaedia Britannica Educational Corp., 1953, 13 min., c., b/w.

"The Mailman," Encyclopaedia Britannica Educational Corp., 1947, 10 min., c.

"Mighty Columbia River," Coronet Films, 1947, 10 min., c.

"Milk," Encyclopaedia Britannica Educational Corp., 1946, 11 min., b/w.

"Northwestern States," Encyclopaedia Britannica Educational Corp., 1942, 11 min., c.

"Policeman, The," Encyclopaedia Britannica Educational Corp., 1954, 11 min., c.

"Salmon Story," Encyclopaedia Britannica Educational Corp., 1950, 11 min., c.

(more)

Resources (continued)

Films (continued)

"Sugar," C & H Sugar, 22 min.

Filmstrips

"Agriculture I (North Central States)," Eyegate, 1956, 27 fr., c.

"Electricity for the Community," Encyclopaedia Britannica Educational Corp., 1950, 52 fr., c.

"Gas for the Community," Encyclopaedia Britannica Educational Corp., 1960, 52 fr., c.

"Industrial Revolution," Encyclopaedia Britannica Educational Corp., 1963, 51 fr., c.

"Industry (New England States)," Haeser, 1956, 55 fr., c.

"Money and Banking," McGraw-Hill, 1963, 36 fr., c.

"Story of West Coast Lumber, The," West Coast Lumberman's Association, 1959, 73 fr., c.

"Waste Disposal for the Community," Encyclopaedia Britannica Educational Corp., 1960, 52 fr., c.

Appendix

APPENDIX 1. MAJOR IDEAS AND SUB-IDEAS OF MODERN ECONOMICS

The following ideas and sub-ideas define the boundaries of the economic discipline and are guides to the things teachers should cover or emphasize.

The ideas are abridged and paraphrased from James D. Calderwood, Teachers Guide to Developmental Economic Education Program, Part One, Economic Ideas and Concepts (New York: Joint Council on Economic Education, 1964).

SEVEN BASIC ECONOMIC AREAS

I. WHAT ECONOMICS IS ALL ABOUT

II. PERSISTENT ECONOMIC PROBLEMS FACED BY ALL SOCIETIES

III. THE MARKET ECONOMY OF THE UNITED STATES AND HOW IT OPERATES

IV. ECONOMIC GROWTH AND STABILITY

V. DISTRIBUTION OF INCOME

VI. THE UNITED STATES AND THE WORLD ECONOMY

VII. OTHER ECONOMIC SYSTEMS

I. WHAT ECONOMICS IS ALL ABOUT

A. Economics....

1) Is primarily concerned with the allocation of scarce resources, with the ways in which a society decides

WHAT to produce
HOW to produce it
FOR WHOM to produce it.

2) Deals with a whole economy — how it works, grows, and adjusts to change.

3) Is also concerned with important parts of the society: consumers, businesses, labor unions, farms. However, a study of these parts is only part of the study of economics.

4) Does not decide personal or social goals. The study of economics helps us to identify goals — growth, stability, efficiency, justice, freedom, and so on — and to make intelligent choices between alternatives.

B. The study of economics is important because

1) Individuals have many economic problems of their own.

2) Citizens influence decisions on economic problems that affect the community, the nation, and the world.

3) People who can deal with economic problems in an organized and systematic way are better able to deal with other kinds of problems.

C. The real test of economic understanding is whether or not one has the ability to deal with future economic problems in an organized and systematic way.

1) This does not mean having memorized facts.

2) It does mean the ability to

a) Define the problem and find the facts

b) Identify the goals that we are trying to achieve, in order of priority

c) Decide what action is best, all things considered.

II. PERSISTENT ECONOMIC PROBLEMS FACED BY ALL SOCIETIES

A. All societies want economic goods and services.

1) Some of these wants are individual, some are collective; but a society's economic wants are never satisfied.

2) There are wants for consumption goods, that satisfy our needs directly, and wants for capital goods, that help us produce the things we want.

B. The process of making economic goods (and services) is called production. Those who engage in this process are called producers.

1) We cannot produce goods and provide services unless we have resources — the main ones are land, labor, and capital.

2) The amount of output that we get from our resources depends on the level of technology, the degree of specialization, the productivity of labor, and the amount of capital available.

C. Resources are scarce. We must decide how we want to use them because if we use our resources in one way we cannot use them in another.

D. An economic system is an organized way of making decisions about how to use scarce resources. (Economists speak of "the allocation of resources.") To do this society must decide what to produce, how to produce it, how much to produce, and for whom to produce it. Various economic systems make these decisions in different ways.

III. THE MARKET ECONOMY OF THE UNITED STATES AND HOW IT OPERATES

A. Ours is a modified private enterprise economy. Our citizens are free to buy what they can afford. They are free to go into business, hire labor and acquire resources, and produce what they think consumers will buy.

1) Producers make a profit if they are right about consumers' demands and suffer a loss if they are wrong. The profit motive thus encourages producers to produce and to shift from one line of production to another when consumers' wants change.

2) Our decisions on what goods to produce and how to produce them are thus influenced by consumer decisions as to how to spend their incomes.

B. There is a circular flow of income from businesses to those who provide resources; from the public to the government; and from those who save to those who invest. A simple model of this flow helps to explain the workings of the whole economy.

C. The market is a basic institution of the American economy.

1) The market adds up the economic decisions of individual buyers and sellers.

2) The ideas of demand and supply are useful in explaining how markets work and how price changes affect the incomes of producers and the amounts that consumers have left over to spend on other things.

3) Market prices are the main regulators of economic activity in the United States.

4) Competition is an essential part of the market mechanism. But, because monopoly or semi-monopoly exists in certain markets, we have passed anti-trust laws and decided to regulate the prices charged by certain industries.

5) Our governments regulate the economic activities of businessmen and consumers. They also affect the allocation of resources when they levy taxes, spend money on goods and services, or make money available to individuals.

IV. ECONOMIC GROWTH AND STABILITY

A. Economic growth may refer to either increases in total output or to increases in output per person.

1) We need growth so that we can raise our living standards and so we can provide enough jobs for our growing labor force.

2) We can grow if we increase our productive capacity by (a) increasing the number of workers, (b) making them better workers, (c) providing them with more capital (tools and machines), or (d) improving our technology and our managerial efficiency.

3) In a private enterprise, economy growth will take place only if effective demand increases — only if the economy is willing and able to buy an increasing output of goods and services.

B. Economic stability means keeping the economy on an even keel between inflation and depression. We want to keep the economy growing and we want to keep it stable.

C. The main tools for measuring the performance of the economy are called Gross National Product and National Income.

D. The level of output is mainly influenced by the level of effective demand — consumption demand plus government demand plus business demand plus foreign demand.

1) When business or government demand moves up or down, the economy tends to expand or contract. This in turn causes changes in consumer demand, which adds to the original expansion or contraction.

2) The government uses fiscal policy — changes the level of government spending and taxation — to influence the level of effective demand. This may have an impact on the national debt.

3) The monetary system also influences the level of effective demand. To know how this works one must understand (a) what money is and what its function is, (b) where money comes from, and (c) how and why the government tries to control the money supply.

V. DISTRIBUTION OF INCOME

A. A person's income determines how much he can buy. The distribution of income within the economy helps determine <u>what</u> goods the economy produces and <u>for whom</u> it produces them.

1) Most people receive incomes by selling productive services on a factor market.

2) Some people receive transfer payments not related to productive services.

B. Our markets may not distribute incomes in a just or proper way.

1) The government uses taxes and transfer payments to change the distribution of income. It also uses taxes to provide certain services that mainly benefit people with lower incomes.

2) Private groups, like unions, also alter the distribution of income.

3) Incomes are more equally distributed than before, but some people have very low or no incomes.

4) Profits are incomes to businessmen. But profits also reward business for taking a chance on a new product or with a new business. This is their main economic function.

C. Economic groups are concerned with the incomes of their members, but in the final analysis, what people earn depends on what they produce. Economic groups may advocate policies which tend to increase incomes of their own members even though they waste economic resources.

1) Labor unions attempt to influence labor incomes through collective bargaining and through the political process.

2) Many small farmers would not earn satisfactory incomes if farm prices were left to supply and demand. Farm prices tend to fall because farm output grows faster than the demand for farm products. Because of this, farmers advocate government price supports and other devices to keep farm incomes and prices at a higher level than they would otherwise be. Such devices also influence the allocation of resources.

3) Our people are concerned with security in their incomes. Activities in the economic security area may affect economic justice, economic stability, the efficiency with which the economy allocates resources, and the willingness of individuals to take risks necessary for economic growth.

VI. THE UNITED STATES AND WORLD ECONOMY

A. The American economy is tied to world economy.

1) In many fields, American jobs, incomes, and profits depend on sales to foreign countries.

2) Some of our industries require resources that we don't have or cannot produce in adequate quantities.

3) American businessmen often invest in businesses overseas. This helps other countries to produce things we need and helps them to increase their rates of economic growth.

B. World Trade takes place for the same reason that trade takes place within the United States....

BECAUSE IT PAYS TO SPECIALIZE IN WHAT YOU CAN DO BEST AND TO BUY FROM OTHERS WHAT THEY CAN PRODUCE MORE CHEAPLY THAN YOU CAN.*

*This is simply stated, but not quite accurate. Imagine a Little League ball club in which each player can pitch better than he can do anything else. One of the nine will pitch, but he will be the only one to do the job at which he is best. The catcher will catch even though he is a better pitcher than a catcher. A better statement: "It pays to specialize in things at which you have a comparative advantage...."

C. World Trade is more complicated than domestic trade.

1) Different countries use different kinds of money. This requires various devices for exchanging one kind of money for another. These involve foreign exchange rates.

2) Balance of payments problems arise when a country tries to spend more foreign money than it has in order to buy foreign goods.

3) Countries impose tariffs and other barriers to trade in order to protect new industries, to insure self-sufficiency in time of war, or to protect the incomes of those in certain industries.

VII. OTHER ECONOMIC SYSTEMS

A. All societies face the same central economic problem — deciding how to use scarce resources (what to produce, how much to produce, and for whom to produce).

B. Throughout history different societies have approached this problem in different ways.

1) Some economies rely primarily on the market mechanism, with a restricted role for government.

2) Others rely heavily on centralized decision making.

a) This may be comprehensive and autocratic, as in the Soviet Union, or

b) Limited and democratic, as in Britain and India.

3) Most countries today are 'mixed economies' in that some decisions are made in the market and others are made by central authority, either democratically or autocratically. The important thing is the nature of the 'mix.'

4) It is particularly important to avoid classifying economic systems into three rigid and unchanging classifications called capitalism, communism, and socialism. For example, there are significant differences between the economies of the United States and France, or Switzerland and New Zealand.

5) All economic systems change over the years.

C. The study of economic systems should emphasize different approaches to the central economic problem and changes in these approaches over the years. It should also emphasize the performance of different economic systems in the light of such criteria as growth, stability, efficiency, security, justice, and freedom.

APPENDIX 2.

Some Of The Things We Sell To People In Other Places	Some Of The Things We Buy From People In Other Places
apples	bananas
canned and frozen fruits, vegetables, and fish	lettuce
crab	breakfast food
wheat	clothing
lumber, plywood, and composition board	shoes
paper and paper products	books and magazines
swim suits, woolen shirts, and other clothing	typewriters
aluminum, titanium, zirconium, and mercury	movies
railway cars	baseball gloves and other sports equipment
ships and barges	television sets, washing machines, and other appliances
lift trucks, heavy transportation equipment and other machinery	iron and steel
	trucks and automobiles
	oil and gasoline

APPENDIX 3. NOTES ON THE EARLY HISTORY OF TAXATION IN OREGON

While it is hard to imagine a government without taxes, that was exactly what Oregon had when it first adopted provisional government. Our knowledge of these times tells us that salaries of the provisional officials were raised by "passing the hat." This means that Oregon, when it had a provisional government, once was without taxation. However, the products of such voluntary contributions were indeed meager--the first collection only amounted to $81.50.

Tax laws were soon enacted, and by 1844 the people of Oregon were paying a tax of one-eighth of one percent of the value of "all merchandise brought into this country for sale, improvements on town lots, mills, pleasure carriages, clocks, watches, horses, mules, cattle, and hogs." The tax collectors "assessed" this property, or judged that it was worth $218,004; the tax thus brought in about $272. (One percent of the assessed value of $218,000 is $2,180; one-eighth of $2,180 is about $272.) In addition, each eligible person had to pay a poll tax of 50 cents and this brought in an additional $185. Together these taxes brought the provisional government $456 in 1844.

Money was scarce in the Oregon Country and such items as wheat were accepted as legal tender for tax payments. This meant that the government had to supply storage for commodities when they were accepted for tax payments.

Revenues did not greatly increase in the succeeding years, even though the tax base was expanded to include special fees, licenses, and a "district" tax of one-fourth of one percent of the assessed value of property. (A district was a subdivision of the territory and actually preceded the county.)

The first session of our Territorial Government was held on June 17, 1849. Its legislators heard Governor Lane make a special plea for a system of taxation "...where the several counties will supply the means through equal assessment of the people who permanently benefit thereby...." Our next governor, Mr. John P. Gains, reiterated this plea, but it too went largely unheeded. It was not until 1854 that Oregon saw any major revision of taxation laws.

In 1854 the school tax was one mill -- one-tenth of one cent -- for each $1 of assessed value. The county tax was two mills -- two-tenths of one cent, and the Territory Tax was one mill. In 1854 the Territory collected about $3,250 with its one mill tax. The one mill school tax would thus have collected about $3,250 and the two mill county tax about $6,500. Hence, total revenues for that year were about $13,000. If we assume that the population of the Territory was about 35,000 in 1854, then the total tax load per person was about 37 cents. This might be contrasted with the 1962-63 tax-year load for state and local government of $320 per person.

Dr. Waldo E. Carlson
Oregon State Tax Commission

APPENDIX 4. WHERE OREGON STATE AND LOCAL GOVERNMENTS GET AND SPEND THEIR MONEY*

1964-65

Where Oregon state and local governments get their money--

Property Taxes	$247 million	28.2%	(all local)
Federal Government	188.8	21.5%	
Personal and corporate income taxes	162.5	18.6%	(all state)
Charges and misc.	153.3	17.5%	
Selective sales taxes . . .	57.6	6.6%	(all state)
Other taxes	66.3	7.6%	
Total	$875.5	100.0%	

How Oregon state and local governments spend their money--

Local schools	$277.5	31.0%	(2/3's local)
Higher and other education .	109.3	12.2%	
Highways and roads	191.6	21.4%	(85% state)
Health and hospitals	59.4	6.6%	
Public welfare	55.5	6.2%	(almost all state)
Police and fire protection .	36.5	4.1%	(almost all local)
General government	40.0	4.5%	
All other**	125.0	14.0%	
Total	$894.8	100.0%	

* Source: Oregon State Tax Commission, 28th Biennial Report (1965-66)
** Natural resources, Veterans Affairs, interest on debt, business regulations, public safety other than police and fire, etc.

WHERE OUR GOVERNMENTS GET AND SPEND THEIR MONEY*

1965-66

Where all American governments (local, state, and federal) get their money--

Individual income taxes . .	$ 60,206 million	26.7%
Corporate income taxes . . .	32,111	14.2%
Property taxes	24,670	10.9%
Sales and related taxes . .	33,724	15.0%
Other taxes	10,125	4.5%
Insurance trust revenue . .	30,558	13.5%
Revenue from utilities and liquor stores	6,619	2.9%
Charges and miscellaneous	27,628	12.3%
Total	$225,641 million	100.0%

* Source: Governmental Finances in 1965-66, U.S. Department of Commerce, Bureau of the Census

(more)

WHERE OUR GOVERNMENTS GET AND SPEND THEIR MONEY* (continued)

How all American governments (local, state, and federal) spend their money--

National defense and international relations	$ 60,832 million	27.1%
Education	34,837	15.5%
Highways	12,895	5.7%
Interest on debt	12,278	5.5%
Natural resources	10,301	4.6%
Health, hospitals, and sanitation	10,934	4.8%
Public welfare	6,965	3.1%
Police and fire protection . . .	4,409	1.9%
Expenditures by utilities and liquor stores	7,282	3.3%
Expenditures by insurance trust funds	28,126	12.6%
All other expenditures	35,954	15.9%
Total	$224,813	100.0%

* Source: Governmental Finances in 1965-66, U.S. Department of Commerce, Bureau of the Census

APPENDIX 5. EMPLOYMENT IN THE PACIFIC NORTHWEST*

By Occupation	1960	1980
Professional and technical workers. .	12.4%	18.4%
Managers and farm managers	15.4%	13.3%
White collar workers	21.3%	24.7%
Blue collar workers	29.2%	22.8%
Household and service workers	11.8%	14.1%
Laborers and farm laborers	9.9%	6.7%
By Industry		
Agriculture, forestry, and fishing .	8.6%	3.8%
Construction	6.6%	5.6%
Lumber and wood products	7.0%	4.5%
Other manufacturing	15.7%	17.9%
Transportation and communications . .	6.4%	4.6%
Wholesale and retail trade	19.9%	20.0%
Professional and related services . .	22.1%	31.2%
Public Administration	5.0%	5.5%
All other	8.7%	6.9%

* Source: The Pacific Northwest, a Study of Economic Growth in a Quality Environment, Battelle Memorial Institute, Columbus, Ohio, 1967, pp. 73, 74

APPENDIX 6. DEVELOPMENTAL ECONOMIC EDUCATION PROGRAM

Program Director

Dr. HUGH LOVELL
Associate Professor of Economics, Portland State College

Cooperating Agencies

Banks Public Schools
Mr. Frank W. Smith, Superintendent

Central Public Schools
Mr. Marlen Yoder, Superintendent

Division of Continuing Education
Dr. James Sherburne, Vice Chancellor

Joint Council on Economic Education
Dr. M. L. Frankel, President

La Grande Public Schools
Mr. Ronald D. Walk, Superintendent

Lake Oswego Public Schools
Mr. Russell Esvelt, Superintendent

McMinnville Public Schools
Mr. Fred Patton, Superintendent

Oregon Department of Education
Dr. Leon P. Minear, Superintendent

Parkrose Public Schools
Dr. Victor Cullins, Superintendent

Portland Public Schools
Dr. Melvin W. Barnes, Superintendent

Portland State College
Dr. Branford P. Millar, President

Riverdale Public Schools
Mr. Jack Boon, Clerk

South Umpqua Public Schools
Mr. Donald Fluke, Superintendent

Springfield Public Schools
Mr. Walter Commons, Superintendent

The Dalles Public Schools
Mr. Alvin Unruh, Superintendent

West Linn Public Schools
Mr. Chester Tunnell, Superintendent

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Bellcoff, Donna M.
Betschart, Glenn
Blodget, Robert
Bowman, Vernon L.
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Bronkey, Margaret
Carty, Patricia
Cava, Louis W.
Chambers, Dorothy
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Christian, Gilbert B.
Classen, Charles H.
Conover, James H.
Cox, Pearl
Damberg, Nancy
Dueltgen, Dottie M.
Elder, Dallas B.
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Fowler, Muriel
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Gilbaugh, Maryann
Glennie, Peter
Goffard, Edward A.
Goodman, Murray S.
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Gustafson, David
Hammack, Barbara
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Harris, Howard D.
Hawkes, Mary L.
Hibbard, Larry
Hogan, Donald
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Huff, Sharon
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Juckett, Helen A.
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Kinsey, Lloyd C.
Klein, Donald
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Koth, Franklin J.
Krause, Marjorie L.
Kregal, Isabelle
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Leverett, Ronald H.
Lingelbach, Helen J.
Litzenberger, Florence
Lund, Kermith
Marsubian, Parimaz O.
Martin, Arthur H.
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McDevitt, Daniel J.
McDowell, Anita J.
McGillivray, Catharina
Metcalf, Charles H.
Morello, Betty N.
Morgan, Louise
Morley, John W.
Myers, Ila May
Nakvasil, Charles F.
Newell, Theodore W.
Newman, James W.
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Olson, Cora
O'Neill, Jacqueline G.
O'Neill, James B.
Ostrom, Elwood
Pasic, Dusan
Paulson, Marilyn
Pedersen, Ronald
Peterson, Beatrice
Pierce, Helen
Pomeroy, Aileen
Pratt, Beverly B.
Price, Ruth J.
Reierson, Lorene
Riepe, Lillian
Ringle, Donnaclaire
Robinson, Dan R.
Ross, Marie
Sanders, Larry
Sartor, Jean
Seal, Margaret
Spencer, Darwin D.
Stark, Julie A.
Stout, Jessie C.
Vecchio, Carol
Waits, Susan M.
Ward, Lu Elle
Wheeler, John F.
Ziegler, Carl